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# NOTICE OF MEETING

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## EMPLOYMENT COMMITTEE

TUESDAY, 16 DECEMBER 2014 AT 8.00 AM

## CONFERENCE ROOM K - CIVIC OFFICES

Telephone enquiries to Vicki Plytas 02392 834058

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### Membership

Councillor Donna Jones (Chair)  
Councillor Luke Stubbs (Vice-Chair)  
Councillor John Ferrett  
Councillor Darren Sanders  
Councillor Lynne Stagg  
Councillor Gerald Vernon-Jackson

### Standing Deputies

Councillor David Fuller  
Councillor Hugh Mason  
Councillor Linda Symes  
Councillor Rob Wood

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(NB This agenda should be retained for future reference with the Minutes of this meeting.)  
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**Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendation). Email requests are accepted.**

### AGENDA

- 1 Apologies for Absence
- 2 Declarations of Interests

### **3 Senior Management Structure (Pages 1 - 28)**

Purpose:

In light of the Employment Committee's consideration of the report to the meeting on 4<sup>th</sup> November 2014, to seek Member approval to formally consult on the senior management structure set out at Appendix B.

**RECOMMENDED that**

**(1) Members note the rationale and implications set out in the report and agree or amend the proposed senior management structure set out at Appendix B for formal consultation with staff and unions and advise the staff 'at risk' as a consequence.**

**(2) Members agree to consider responses to the proposed structure at a subsequent meeting, and following their consideration of those responses, to establish a sub-committee to appoint to the new structure in accordance with the guidance set out at section 5.**

**(3) Members agree to adopt the proposed selection methods as set out in the report.**

### **4 Date of next scheduled meeting**

The date of the next scheduled meeting is 6 January 2015.

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.



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# Agenda Item 3

<b>Title of meeting:</b>	Employment Committee
<b>Date of Meeting:</b>	16th December 2014
<b>Subject:</b>	Senior Management Structure
<b>Report by:</b>	Chief Executive
<b>Wards affected:</b>	N/A
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

## 1 Purpose of report

- 1.1 In light of the Employment Committee's consideration of the report to the meeting on 4<sup>th</sup> November 2014, to seek Member approval to formally consult on the senior management structure set out at Appendix B.

## 2 Recommendations

It is recommended that:

- 2.1 Members note the rationale and implications set out in the report and agree or amend the proposed senior management structure set out at Appendix B for formal consultation with staff and unions and advise the staff 'at risk' as a consequence.
- 2.2 Members agree to consider responses to the proposed structure at a subsequent meeting, and following their consideration of those responses, to establish a sub-committee to appoint to the new structure in accordance with the guidance set out at section 5.
- 2.3 Members agree to adopt the proposed selection methods as set out in the report.

## 3 Background

- 3.0.1 Members are aware that since July 2007, the number of director and head of service posts has been significantly reduced, saving over £1.5m per annum off the wage bill. In November the Employment Committee re-affirmed 'People, Place, Performance' as the basic officer structure, albeit adopting slightly different language to suit Portsmouth's preferences.
- 3.0.2 Members looked at information about other comparative council structures obtained from the South East Employers Organisation and similar councils. They were also cognisant of the areas of critical risk involved in the responsibilities the council carries.

3.0.3 However, whilst further reductions in senior management would inevitably reduce the experience and capacity of the council, Members nonetheless considered that the financial position of the council necessitated further reductions being made. Members asked the Chief Executive to come forward with specific proposals to achieve savings and position the Council for likely future challenges.

3.0.4 The council's senior management structure is shown at Appendix A.

3.1 Members must appreciate that without reductions in the scope and responsibilities of the organisation, cuts to senior management will be likely to have implications for uplifting gradings across other posts under the council's job evaluation system as well as the capacity of the remaining staff. The indicative savings set out by the Head of Finance at section 8 seek to anticipate this in general terms; the precise implications will not be known until recruitment to the new structure is complete.

3.2 Members need to consider the following drivers in deciding their preferred approach, recognising that they are determining the structure and the form of the organisation, not the selection of individuals to fill the roles:

- Member priorities - where we need to maintain capacity and retain our talent
- Which areas are not political priorities - where we can seek to cut management capacity
- Where Members are prepared to take greater risk - where we can seek to reduce our management and operational capacity
- Where Members are most risk adverse - where we need to ensure we have an appropriate level of expert capacity and resilience.

3.3 In addition to these considerations, before making decisions about the structure, Members have recognised that:

- 'Senior' management is only part of the management structure of the organisation and shouldn't be looked at in isolation
- Sufficient corporate governance needs to be retained at the appropriate level of influence
- Consideration needs to be given to the impact of changes on the council's ability to generate income and attract grant and growth e.g. City Deal
- Integration of services is important in improving service design and delivery and in saving money e.g. social care and health. This can be assisted by structural change
- Sufficient senior management capacity is necessary to deliver priority strategies, drive change and respond to likely changes in legislation and policy.

3.4 These latter considerations are extremely important, as the council faces a combination of factors that make working differently and reducing demand for services a far greater financial challenge than the potential savings achievable from senior management reductions. These factors include:

- significant known further cuts (£36m over the next three financial years)
- likely major further cuts beyond the current spending round, based on the macro-economic outlook and central government statements of intent to protect some budgets, but not local government
- increasing demand for many services arising from an aging population facing multiple morbidities
- a younger population already exhibiting health issues which are likely to put further burden on public services (e.g. obesity)
- a need to accelerate the integration of services across public health, social care, housing and primary and secondary health.

## **4 Proposals for people, place, performance**

4.0.1 In light of the above, and having re-affirmed 'People, Place, Performance' as the basic officer structure, having examined other comparative council structures and recognising the considerable areas of critical risk and statutory roles the council is obliged to cover, I do not recommend further reduction in the number of Director posts which has already reduced from seven to four. However, as set out at 4.12, I do believe that now public health responsibilities are getting embedded within local government, there is scope to re-visit the development of a sub-regional public health capacity with Southampton and the Isle of Wight. This will need to be seen in conjunction with other areas of integration between the work of local authorities and health, described below.

4.0.2 It is also important that the council widens and accelerates its work on service design and integration, particularly in the areas of high spend and growing pressures - social care, housing and health. There are already important strands of work underway, including the Better Care Fund, Troubled Families (Positive Family Steps), City of Service, and new models of service delivery such as those explored through 'Delivering Differently' and social impact bonds. If this work is to achieve its potential in sufficient time to make real impact on shrinking budgets and growing pressures, it is going to need concerted effort and the application of a dedicated resource over a couple of years. This creates the need for a multi-disciplinary and multi-agency early intervention team, and the opportunity for a secondment at a senior level.

### **4.1 People**

4.1.1 In November, Members recognised that this is the area of greatest council spend and the area facing the biggest pressures. It covers social care,

education, the council's responsibilities for community safety, licencing, civil emergency and public health and the interface between the council's activities and the health sector. It has links with the council's roles associated with housing, an area where it is felt that there is scope to explore greater synergy and integration. The council's work with troubled families also falls within this area, for which funding will be made available at head of service level by central government - this can help support our drive for early intervention and greater integration with services delivered by other agencies, such as health. The funding is guaranteed only to the end of this parliament, but local authorities are being encouraged to consider that it will be continued by any incoming government.

- 4.1.2. Statutory guidance and central government policy and inspection regimes such as CQC and Ofsted heavily influence the areas of health, education and social care. The council has to have Directors of Children's services, Adults' services, and Public Health but subject to safeguards and review, these roles can be shared. They must report direct to the Chief Executive and held by appropriately qualified and experienced people. The current structure combines these three roles in two post holders at director level. It is not recommended that this be reduced further, although work is underway looking at greater sub-regional collaboration on public health services and far greater integration of health and social care at a local level, including with the Clinical Commissioning Group and major service providers.
- 4.1.3 Whilst it is possible to consider the combination of roles, this should be balanced alongside the importance the city places on raising educational attainment and the critical risks involved with children's social care and safeguarding, at this stage it is not recommended that these two roles be consolidated under a single head of service. Both roles are difficult to fill and have required market pay supplements. Elsewhere where this has been attempted councils have had difficulty in recruiting to a combined role even where the salary is substantially above PCC pay rates. Many local authorities still retain separate Children's Services and Adult Services Directors because of difficulties recruiting at 2nd Tier. Stable and permanent senior managers in this area are seen as essential by regulators and 'churn' can trigger an early Ofsted inspection.
- 4.1.4 In terms of future savings through integration, the areas of council activity which offer potential for greatest synergy with this work are between adult social care and health. Much of the work supported by the Better Care Fund is focussed on this, but more radical integration should be considered. However, with an aging population and growing numbers of very elderly, greater integration between housing, social care and health needs to be explored. One of the most important factors in the wellbeing of individuals, particularly the elderly, is the suitability and affordability of their housing provision and the immediate support networks around their home. Housing has traditionally formed part of the 'People' directorate.
- 4.1.5 It is proposed that the Council re-aligns the current six service units within the 'people' area to the configuration set out below and at Appendix B. This, in part, is to prepare the way for potentially greater integration between housing, health and care, particularly in meeting the increasingly complex needs of the



elderly. Such a transformation, whilst often discussed on the national political agenda, has seen modest encouragement through the Better Care Fund etc. Until the national intent becomes clearer after the general election, Portsmouth should position itself to make the most of its shared priorities, boundary and good working relationship with the CCG. The emphasis on public health remains squarely on 'people', but the links to the physical environment and the way in which people use that environment can have a huge beneficial impact on public health, both in encouraging greater exercise and in protecting the public from harm. It is recommended that the areas of environmental health and trading standards are aligned with public health.

4.1.6 The area with arguably the weakest link to the 'people' directorate is revenues and benefits; despite being a front-line service in the eyes of recipients of benefit, many local authorities host revenues and benefits with their other support services and it is recommended that this takes place as part of the restructure.

- **Children's Social Care & Safeguarding**
- **Education**
- **Adult Social Care**
- **Housing Services** - including public and private housing (HRA), buildings maintenance
- **Public Health\* and Protection** - including children's centres, environmental health and trading standards

*\*funded by Public Health Grant*

- **Integrated Commissioning Unit\*\***

*\*\* jointly funded by CCG*

It is considered that dedicated intervention with our partner agencies can achieve radical re-alignment of adult social care, housing and health management to deliver:

- Increased independence in the community and reduced dependency on council services
- Lower level of council funding of services
- Increased level of integration between health, housing and social care
- Increased level of personal budgets/direct payments
- Externalisation of PCC direct service delivery including potential commissioning of adult social care through the Clinical Commissioning Group

4.1.7 In line with these changes, whilst not part of the management re-structure, Members are invited to consider the move of the public health budget and its political oversight from the adults' portfolio to the children's portfolio, as this is where public health's emphasis on early intervention and 'best start in life' should be focused, for example in the role of Children's Centres. That will be a matter for the Leader of the Council to consider in due course. It is independent of this process.

## **4.2 Place (Regeneration)**

4.2.1 The 'Place' directorate has principal responsibility for the future economic and physical development of the city; attracting investment, providing and maintaining infrastructure, supporting business growth, skills alignment to employment opportunity and developing the cultural offer, sustainability and attractiveness of the city. Here, Members chose to use the term 'Regeneration' rather than 'Place'. Whatever the title, it is essential for the city that the council maintains its focus on:

- developing the city's infrastructure
- improving the match between the business needs of its core employment sectors and the skills of its workforce
- the attractiveness of the city to its citizens and visitors

The council has been very successful at securing grant funding to develop the infrastructure of the city and prepare sites for development, generating employment opportunities in key sectors. The activity is important to the future economy of the city, and hence its ability to pay for the support it needs to provide to those living here through their lives. In any city, accessibility is one of the most important factors, determining ease of business and the ability of the public to access its attractions; in our densely built-up and populated coastal city, accessibility is crucial and is a primary consideration of the council.

4.2.2 The current configuration of services partly arose through Member desire to consolidate environmental contract management (waste, leisure, highways) and to split estate management functions between the operational and strategic. It leaves aspects of two key functions in two or more service units - housing and property. The greatest emerging areas of activity relate to skills, inward investment and support to business growth, where there are clear sub-regional links, including with Solent LEP and PUSH.

4.2.3 It is therefore important that the Council retains its emphasis on regeneration of the city, wealth generation and developing employment opportunities and employer-led skills provision, using the influence of the council's property portfolio, its events calendar, and its cultural and environmental development to raise and promote the attractiveness of the city to residents, visitors and investors alike.

4.2.4 Included in this should be the consideration of sharing parts of the estates function with other partners, e.g. neighbouring councils, University of Portsmouth, Solent Healthcare Trust etc., creating a multi-disciplinary 'Development Team' to exploit the property investment opportunities that can lead to increased revenue income and capital receipts in line with council priorities.

- 4.2.5 Whilst outside the remit of this review, Members are encouraged to consider promoting the amalgamation and expansion of cultural trusts and new models of service delivery in this field, as the council's ability to financially support these agendas is now severely eroded. Similarly, the council should be seeking engagement with neighbouring councils and other organisations on issues such as parking management, environmental health, planning policy, waste management; the emerging role of cities and city regions in English devolution will provide a platform for this debate, including possibilities for co-production/shared staffing with Solent LEP and PUSH.
- 4.2.6 The following configuration is therefore recommended, reducing the number of Heads of Service within the Directorate from four to two, but maintaining the importance of regeneration of the city, including the implementation of key capital projects:
- **City Development and Culture** - including planning policy, development control, property, leisure, parks, museums, libraries, events
  - **City Infrastructure** - including transport, parking, waste, flood defence, street lighting

### 4.3 Performance (Support Services)

- 4.3.1 Effective and efficient support services are essential to enable the council to deliver its front line functions, control its finances, support and develop its staff, and manage its considerable corporate governance responsibilities, such as budgeting, public and democratic accountability and scrutiny.
- 4.3.2 For the last two years corporate support services have been brought together under one director (City Solicitor and Monitoring Officer) and four Heads of Service as shown at Appendix A.
- 4.3.3 The Council is required to appoint to the roles of Monitoring Officer and s151 Officer although these roles can be provided in other ways such as through joint working with other authorities. Whilst the level of support service needs to be proportionate to the needs of the other services, it also must be recognised that a city council will always have significant demand for support services. This council has retained its support services in-house and trades with a number of other organisations, currently to a value of £5m per annum. Members have not shown any appetite for seeking an externalised provision, but rather a desire to seek greater income through traded services. Similarly, there is no proposal to move to a decentralisation of support services to the directorates; the residual support services and the respective IT systems could not support this - it would increase costs, reduce flexibility and reduce corporate grip at a time when budget discipline and focus is paramount. Discussions are underway with other significant service providers about the opportunity to grow the council's traded services in this area. However, there is also scope for greater responsibility to be taken by managers within the other services, with fewer but more expert staff within the support services.

- 4.3.4 Whilst reductions in senior staff will inevitably reduce the capacity, knowledge and experience of the organisation, Members have indicated that this is an area where they feel comfortable that the number of heads of service could be reduced whilst still maintaining adequate management oversight and control of risk. Consolidation is recommended by combining the range of activities and responsibilities currently covered by four heads of service, therefore reducing overall headcount. As part of this consolidation it is recommended that Revenues and Benefits is also put within the support services - its strongest links are with Finance and IS/IT where it is a major user of computer systems.
- 4.3.5 Members must recognise that this reduction in senior managers will lead to a drop in performance and a reduction in the resilience of support services to properly assist front-line delivery. Such an approach may
- 4.3.6 put all of the affected heads of service at risk.

It is therefore recommended that in order to secure the savings and reductions sought by Members the Council reduces the number of 'Performance' Heads of Service from five to two, encompassing Revenues and Benefits from the 'People' portfolio:

#### **Support Services 1**

- IS/IT
- HR
- City Help Desk
- Audit
- Strategy
- Democratic Services including FOI
- Communications
- Legal including coroner

#### **Support Services 2**

- Finance ( incl. s151)
- Revenue and Benefits
- Traded Services
- Procurement

## **5 Process**

- 5.1.1 The adoption of the proposed structure contained within this report will have direct implications for a number of staff as a consequence of change to the existing senior management structure, putting their posts 'at risk'. Analysis of impact on existing posts can be identified at Appendix C. The Council has an obligation to consult unions and employees to ensure a fair redundancy procedure.

- 5.1.2 In accordance with the council's workforce organisational change policy, the unions and those staff directly affected have been advised, at the earliest opportunity that their posts are at risk under the proposals being considered.
- 5.1.3 Members need to decide the approach that best meets the needs and circumstances of the Council over the next few years. This report sets a recommended structure which the committee is advised to consult upon with staff and the unions. Please refer to Appendix D for the full details of the consultation process.
- 5.1.4 The length of the consultation period is legally determined by the number of staff at risk of leaving across the council as a whole. Currently there are potentially more than 99 staff at risk across the organisation; therefore the minimum consultation period required will be 45 days during which time further proposals may be put forward.
- 5.1.5 At the end of the consultation period, the Committee will be required to consider any representations received during the consultation period, prior to endorsing or modifying the proposed senior management structure.

## **5.2 Appointment to New structure**

- 5.2.1 There is a process which Members must follow in making decisions in relation to appointments to new staffing structures and this supports the Council's redeployment policy and existing practice. It is recommended that Members adopt the following principles:
- Appointment to any new posts be sought through an internal ring fencing selection process in line with existing redeployment policy.
  - **Job Matching** - Where Head of Service posts are substantially performing the role proposed in the new structure
  - **Ring Fencing** - Applications be restricted to Head of Service posts that are at risk of redundancy **or** performing a part of the role.
- 5.2.2 The Employment Committee is perfectly entitled to ring fence the recruitment process, inviting only staff identified as being 'at risk' to apply. If Members adopt this appointment method, the timescale set out at Appendix E provides a guide to the proposed timeline.

## **6 Equalities Impact Assessment (EIA)**

- 6.1 A preliminary Equalities Impact Assessment has been undertaken.

## **7 Legal Implications**

7.1 The implications outlined in the report, whilst preliminary, are such that a redundancy process (a potentially statutorily fair reason for dismissal) will need to be considered as against a background of structural change. The key factors to avoid claims of unfair dismissal either based upon a redundancy situation not existing or flaws in the process of selection are at this point as follows:

- The burden is upon the Council to establish that the jobs no longer exist.
- The process of consultation and procedure will need to be clearly established before anyone is dismissed. Whilst the Council might be able to show that the jobs are redundant, the dismissals might be unfair if the consultation, selection and criteria used are flawed.
- Any process which is followed must be consistent with the Council's existing policies
- Consultation will need to be meaningful and engaged early enough to avoid any applications to the Employment Tribunal for protective payment awards; the current time frame would be 45 days.
- The key to avoid claims is to map accurately the structure re-profiling, engage early, consult throughout and be able to objectively justify selection, as a Tribunal will be concerned about decisions being fair and reasonable in all the circumstances having due regard to the size and nature of the undertaking. In relation to the Council as we are a large public sector employer it would be the anticipation of any Employment Tribunal that decisions made to make a person redundant would be consistent with our policies and procedures and in all other ways legally compliant. Taking into account these considerations, Members are strongly advised to adopt the principles set out in 5.2.1 above. It is imperative that the Council is seen to act in an open fair transparent way which is consistent with its usual practices. Failure to so would open up the real possibility of claims against the Council which taking into factors such as age, loss of pension rights, the salaries of the post holders and loss of employment rights, would be substantial.

## **8 Head of Financial Services comments**

- 8.1 The financial implications arising from the implementation of any of the changes contained within this report will relate to the estimated costs of redundancies and the ongoing savings arising from a reduction in Heads of service posts.
- 8.2 Whilst it will be for Members to determine the final structure, in terms of in-year and future savings, the savings arising from the reduction up to four Heads of Service in both current and future years is estimated at £311,000 for 2015/16 and all future years. Any delay to the implementation of the proposed redundancies will serve only to reduce the level of savings that could have

been achieved. This is because any delayed savings considerably outweigh the reductions in the redundancy costs which would occur. As a guide, with likely re-grades at more junior levels, the full year savings are:

Director £82,600\*

Head of Service £77,700\*

\*These figures exclude any redundancy & pension strain costs

## 9 Conclusions

- 9.1 The council faces many more years of significant cuts to its central government grant and some huge challenges, which if unmet will place even greater pressure on costly remedial services. Key amongst these challenges are those relating to the health and social care of the city's population. Whilst we are still coming to terms with the changes in service design necessary in our own and partners' organisations to address the additional costs of a growing elderly population, we are also faced with a mounting wave of younger people who will face multiple morbidities at a younger age as a consequence of poor diet and insufficient exercise leading to obesity and the major complications that brings in later life. Whilst medical advances would enable this population to live to a reasonable age, it will be very expensive to maintain, and if unchecked will put huge additional pressures on our housing, health and social care services.
- 9.2 In addition to the development of a more integrated approach to housing, health and care, in order to address the root of these problems it will be essential that the educational and skills attainment of the city's population is quickly and drastically improved; hand in glove, we must continue to support the creation and growth of an employment base with a good range of high value-added jobs in the sectors in which the local and regional economy can expect to compete globally and in which our indigenous emerging workforce has the skills and aptitudes to fully participate and prosper. Providing the physical and cultural infrastructure for the city and the sub-region to operate effectively and become a location of choice for employers and residents are also pre-requisites.
- 9.3 City councils are obliged to deliver a broad range of services (over 1200 statutory services), and others they choose to provide. The council must ensure that it can offer the support services necessary to enable the front-line services to deliver as efficiently as possible and meet the standards of accountability, democracy, transparency and prudence demanded of it.
- 9.4 In addressing the challenges set out above, the council has been pursuing a four-strand strategy:
1. Reduce dependency on tax and grant - e.g. generate more income
  2. Reduce the population's need for council services - e.g. early intervention and prevention, manage demand, increase skills and employment

- 3. Increase efficiency and effectiveness - e.g. reduce waste, increase value for money, integrate services
  - 4. Cut low-impact services first - recognising that 'low impact' means different things to different people
- 9.5 Over the last 4 years the controllable budget of the council will have been reduced by £63m, largely achieved by increases in efficiency and effectiveness. All the signs are that local government will continue to face the brunt of public sector cuts for the next six or more years. In very few areas has the council actually stopped providing services, but has expected more from less, often with increasing expectations in terms of service quality and the ability to do new things. The council needs to ensure that its senior management structure is capable of delivering on this change agenda, and that its expectations are tempered by reduced capacity.
- 9.6 Recognising that significant reductions have been made in capacity over the last eight years, the proposals contained in this report and set out at Appendix B identify areas where reductions to the amount and configuration of senior management could be considered by Members to help maintain the council's ability to maintain its response to the budget challenges it faces. This would maintain the director structure, reduce the number of heads of service by four, and create an opportunity for a time-limited senior post to drive an early intervention team to achieve savings, working directly with the Leader of the Council and Chief Executive.
- 9.7 Whilst recognising the contribution local government makes to economic recovery, the complexity and risk a city council carries, and the contribution senior staff make to the management of the city and council, this combination of proposals is recommended to you.

.....  
 Signed by:

**Appendices:**

- Appendix A - Current Senior Management Structure Chart
- Appendix B - Proposed Senior Management structure
- Appendix C - Analysis of impact to existing Head of Service Posts
- Appendix D - Consultation Process
- Appendix E - Timeline

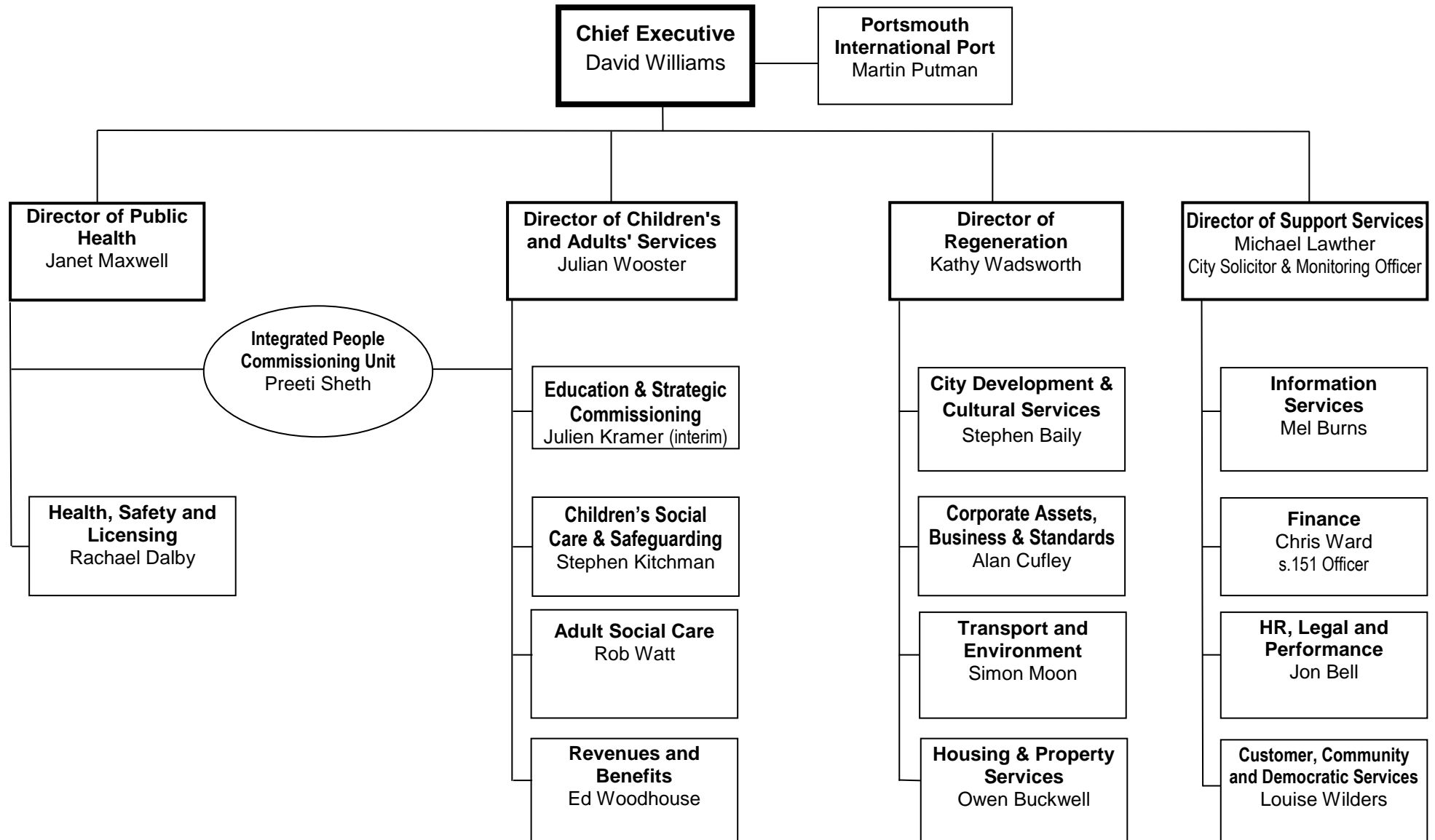
Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

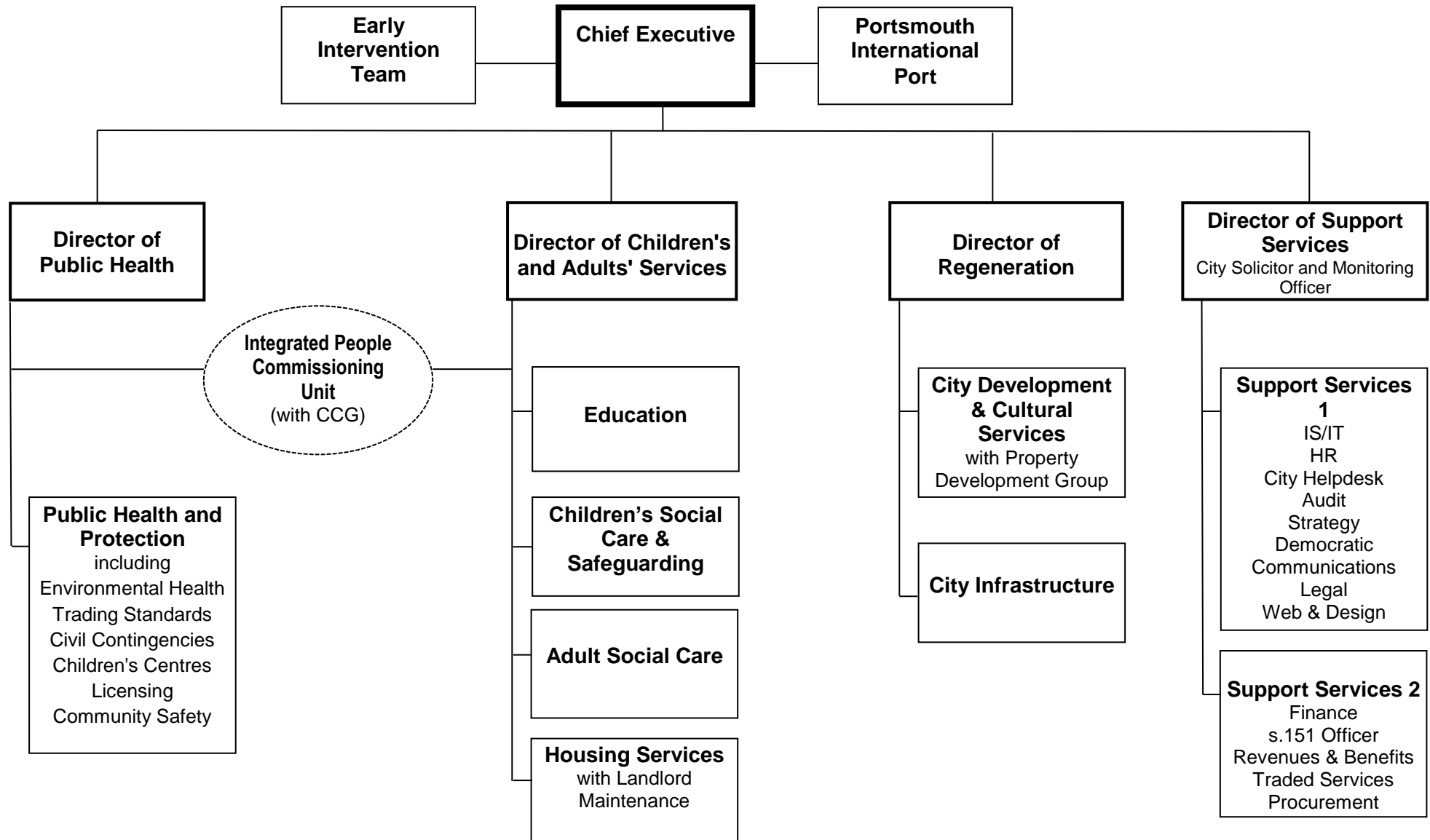


# Senior Management Structure, February 2014



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# Proposed Management Structure



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**Existing Head of Service Posts ( FTE 14.0)**

Information Services  
 Customer, Community & Democratic Services  
 Corporate Assets, Business & Standards  
 City Development & Cultural Services  
 Children’s Social Care & Safeguarding  
 Housing & Property Services  
 Integrated Commissioning Unit

Finance ( Section 151 officer)  
 HR, Legal and Performance  
 Education  
 Health, Safety and Licensing  
 Adult Social Care  
 Revenue and Benefits  
 Transport & Environment

**Proposed Head of Service Posts ( FTE 10.0)**

City Development & Cultural Services  
 City Infrastructure  
 Housing Services  
 Children's Social Care & Safeguarding  
 Integrated Commissioning Unit

Public Health & Protection  
 Education  
 Adult Social Care  
 Support Services 1  
 Support Services 2

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**Existing Head of Service Posts Unaffected by proposed changes**

Adult Social Care  
 Integrated Commissioning Unit  
 Children’s Social Care & Safeguarding

**Existing Head of Service Posts affected by proposed changes**

City Transport & Environment  
 Health, Safety and Licencing  
 Corporate Assets, Business & Standards  
 Education  
 HR, Legal and Performance  
 Customer, Community & Democratic Services  
 City Development and Cultural Services  
 Revenue and Benefits  
 Information Service  
 Finance ( Section 151 Officer)  
 Housing & Property Services

## Functions of New Proposed Posts

New Head of Service Posts	Functions
Children's Social Care & Safeguarding	Assessment Services Looked After Children Safeguarding Review & Monitoring Youth Offending
Education	School Improvement Inclusion & Admissions School Places & Commissioning
Adult Social Care	Older Persons Services Learning Disabilities Adult Safeguarding & Professional Standards
Housing Services	Public & Private Housing Housing Options Landlord Maintenance, including schools etc.
Public Health & Protection	Public Health Children Centres Environmental Health, Trading Standards Civil Contingencies, Licensing Community Safety
Integrated Commissioning Unit	Commissioning Contracting & Procurement

## Functions of New Proposed Posts

New Head of Service Posts	Functions
City Development & Culture	Planning, including Development Team Tourism, Events, Museums, Libraries Parks and open spaces, Corporate Property City Centre Management & markets Economic Development and skills including PCMI
City Infrastructure	Highways Maintenance Transport Strategy Parking Flood Defence Waste Management
Support Service 1	Information Services Human Resources City Help Desk Audit Strategy Democratic Services including FOI Communications Legal including coroner
Support Service 2	Finance Revenues & Benefits Traded Services Procurement Section 151 Officer

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## Senior Management Review

**1 Process**

- 1.1 If Members agree to the recommendations of this report, this will enable a formal period of consultation to commence.

**2 Purpose of Collective Consultation**

- 2.1 Informing and consulting with the workforce is essential for the success of any organisation. The aim is to allow employees to influence the employer's decision
- 2.2 Consultation is not simply the act of passing information on or presenting employees with decisions that have already been agreed. It is a process by which management and trade unions or ( employee representatives) are able to discuss and examine issues of mutual concern, with the outcome resulting in employees having had the opportunity to influence the decision making process by considering and feeding back on the organisations proposal. The business reason for not accepting a proposal needs to be compelling and able to demonstrate all suggestions have been taken into account during the consultation period.
- 2.3 In order to ensure the consultation process is meaningful the organisation should be clear on;
- The business rationale behind the proposed dismissals
  - That while the organisation will make the final decision, representatives will have a full opportunity to comment on the proposal.
  - Management will listen, engage and consider views of employees when making decisions, demonstrating genuine opportunity to influence the outcome.

**3 Statutory Consultation**

- 3.1 Collective consultation must take place in good time. The statutory timetable for consultation should be regarded as a minimum and is as follows:

<b>Number of employees it is proposed to be dismissed at establishment over 90 day period.</b>	<b>Minimum consultation period before first dismissal takes effect.</b>
20 - 99	30 days
100 or more	45 days

The employer should not issue notices of termination until the consultation process has been completed.

3.2 For the purposes of consultation, the employer must provide the appropriate representatives with certain information in writing. This includes:

- The reasons for the proposed redundancies
- Numbers and description of posts affected
- Proposed method of selecting the employees who may be dismissed.
- Proposed method of carrying out the dismissals, taking account of any agreed procedure including the period of time which the dismissals are to take effect.

Consultation should include exploring ways of avoiding potential dismissals, reducing the number of employees to be dismissed and mitigating the consequences of the dismissals. Consideration to accept applications for voluntary redundancy should be undertaken.

3.3 The Employment Appeals Tribunal (EAT) has set out principles for ensuring fairness of redundancy dismissals. Whilst the principles were formulated in relation to consultation where the employees are represented by a trade union, employers should also apply them when consulting individually, whether or not a union is involved. The principles include:

- The employer will seek to give as much warning as possible of impending redundancies so as to enable the union and employees who may be affected to take early steps to inform themselves of the relevant facts, consider possible alternative solutions and, if necessary, find alternative employment in the organisation or elsewhere.
- The employer should begin consultation when proposals are at a sufficiently formative stage to enable the consultation to be meaningful. This should be at an early enough stage so that all options can be explored with employees including whether or not the need for redundancies can be avoided.

#### **4 Information and Consultation Methods**

4.1 Whilst the Employment Committee is concerned with the recruitment and dismissal of officers at Head of Service level and above, the proposal for the senior management structure is of a wider interest to the council's staff, unions and partnership organisations.

4.2 Employers can inform and consult using a variety of communication and information methods, depending in part on the size and structure of the organisation. Whatever method is used, Members should take into account the following factors:

- The information should be clear, easy to understand and concise. Presented objectively so that employees are encouraged to make proposals without being influenced by the employer's view.
- Relevant and open to consultation.

- Should aim to provide regular and systematic updates to ensure employees know when to expect them.
- Approach should be consistent when providing information. Particular care should be taken when different sources cascade the information
- Employers should be transparent when giving information

4.3 Members may wish to give due consideration to previous methods of internal communications successfully utilised to ensure meaningful consultation with the council staff and unions. These included:

- Providing an outline of proposals and link to the full report published on PCC Intranet site
- Utilising Consult HR inbox to receive any staff suggestions on the proposal.
- Proposal information included in Team Brief ( monthly update sent to all managers for discussion at team meetings).

4.4 In addition, the Chief Executive personally briefed the Corporate Management Board and the Third Tier Managers on the proposed changes, highlighting where they could make representations.

An email address was created to receive any representations on the proposal and Directors and Heads of Service also collated representations they received.

## **5 Determination of a redundancy Selection pool**

5.1 Where it has been established circumstances are likely to result in a job loss or Job losses and there are consequent redundancies, management will normally create a 'pool' of employees from which the selection is to be made.

5.2 Redundancy is potentially a fair reason for dismissal under section 98 of the Employment Rights Act 1996. An employer must show that it has acted reasonably and adopted a fair procedure, this requires consideration of the appropriate pool of employees from which the selection for redundancy is made. An organisation is afforded a degree of flexibility when defining the redundancy pool. However, to ensure the fairness of any dismissals the employer must demonstrate that it took a reasonable approach.

5.3 Should Members be minded to approve the recommendation to change the senior management structure they will need to ensure the selection criteria applied to the pool of staff at risk of redundancy is objective and applied in a fair and consistent way.

### **Considerations**

- What is the purpose of the post selected, how many other posts also fit this purpose.
- When recruiting is the same criteria applied in the selection process.
- Could a post holder act as a substitute for another post holder
- If one post is not considered part of the pool what excludes it.  
[Employment Tribunals tend to look at title, salary, level of responsibility and require a substantial difference for exclusion purposes]

5.4 The organisation should look at the day to day activities of the post holders and the terms of their employment. Focus should be on the reality of the work they actually undertake rather than what their contract says in theory is required to be undertaken. Consideration also needs to be applied as to whether an individual's skills are interchangeable with other employees, so a wider selection pool may be required.

It is not necessary to determine a redundancy selection pool where only one job role is redundant, and there is only one employee carrying out that role. However this will only apply where the role is unique within the business. If there are other roles that are similar across the organisation or that require similar skills and qualifications ie leadership and management, consideration will need to be undertaken to decide whether it is appropriate to include the employees in those roles into a pool for selection.

## **6 Next steps**

6.1 Dependent upon the decision of the Employment Committee, having fully considered the responses to consultation [ regarding the proposal to reduce the number of senior management posts]. One or more heads of service posts may be redundant and the post holders at risk of redundancy. Members will need to consider whether to:

- 'Slot - in' where heads of service are substantially performing the role proposed in the structure
- Ring fence recruitment to those post holders at that level who are at risk or performing a part of the role.

6.2 There is a proper process to go through to guide members' decision in relation to making appointments to new staffing structures and this supports the Councils redeployment policy and existing practice.

### Principles

The process of movement of employees from existing to new structures should be achieved as effectively as possible through a fair procedure which includes:

- Identification of Job Matching
- Ring fencing of recruitment

### Job Matching

Broad criteria should focus on purpose of the role taking into account skills, experience, knowledge and level of responsibility

### Ring Fencing

If through a reduction of the number of posts in the new structure there are more people than posts, appointment should be considered through the ring fence selection process.

6.3 The Employment Committee is perfectly entitled to elect to ring fence the recruitment process, inviting only staff identified as being at risk to apply. In addition this will ensure compliance with existing redeployment policy and practice utilised across the Council.

6.4 Where any post profile is significantly revised as part of the restructure, this should be evaluated under the Council's Job Evaluation process.

## **7 Timeline**

7.1 Assuming that appointment to any new posts are sought through an internal ring fence selection process. The timescale set out at Appendix E provides a guide to the potential timelines.

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	Timeline	Owner	Days	Start	End	1-Dec	8-Dec	15-Dec	22-Dec	29-Dec	5-Jan	12-Jan	19-Jan	26-Jan	2-Feb	9-Feb	16-Feb	23-Feb	2-Mar	9-Mar	16-Mar	23-Mar	30-Mar	6-Apr	13-Apr	20-Apr	27-Apr	4-May	11-May	18-May	25-May	1-Jun		
1.0	<b>Snr Management 45 Days consultation</b>	D Williams	166	22-Dec	6-Jun																													
1.1	<b>Consultation</b>	D Williams	59	22-Dec	19-Feb																													
1.1.1	Consulation phase		45	22-Dec	5-Feb																													
1.1.2	Collate responcees, prepare report		7	5-Feb	12-Feb																													
1.1.3	Report to Employment Committee		7	12-Feb	19-Feb																													
1.2	<b>Selection Phase</b>	D Williams	21	20-Feb	13-Mar																													
1.2.1	Communication & Job Matching		7	20-Feb	27-Feb																													
1.2.2	Selection/Redundancy/Communication		14	27-Feb	13-Mar																													
1.3	<b>Notice Phase</b>	D Williams	84	14-Mar	6-Jun																													

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<p>Consultation <span style="display: inline-block; width: 15px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span></p> <ul style="list-style-type: none"> <li>Agree Pool</li> <li>Agree Selection Method / Process</li> <li>Agree Member Panel and book resources</li> </ul>	<p>Selection Phase <span style="display: inline-block; width: 15px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span></p> <ul style="list-style-type: none"> <li>Voluntary Redundancy</li> <li>Matching if applicable and communication</li> <li>Invite to selection</li> <li>Run Selection including Members Panel</li> <li>Make Decisions communicate decisions</li> <li>Meet with affected</li> <li>Issue notice / redeployment</li> </ul>	<p>Notice Phase <span style="display: inline-block; width: 15px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span></p> <ul style="list-style-type: none"> <li>Redeployment support</li> </ul>
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